

NSC BRIEFING

25 March 1954

PROSPECTS FOR A STABLE ITALIAN GOVERNMENT

- I. Scelba coalition government precarious:
 - A. Narrow Chamber majority (300-283) rests on support of 3 minor democratic parties.
 - B. Cabinet prestige weakened by Montesi scandal.
- II. But minor parties want to keep Scelba in office:
 - A. His cabinet first since June 1953 elections to counter popular appeal of Communists-Nenni Socialists.
 - B. Government parties fear new elections under continuing unfavorable economic conditions.
- III. Possibilities of alternative coalition including Monarchists:

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- A. Monarchists can contribute 40 seats.
- B. But such a move would also mean:
 - 1. Withdrawal of Social Democrats (19 seats)
 - 2. Withdrawal of Republicans (5 seats)
 - 3. Probable split of Christian Democrats leaving new coalition without majority.
 - a. Left wing of Christian Democrats, which gained in June 1953 elections, is anti-Monarchist.
 - b. Pella Christian Democratic government fell in December largely because of ties with Monarchists.

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- c. Ex-premier De Gasperi continues much opposed to Monarchist alliance.
- 4. Social Democrats and some left wing Christian Democrats would tend to cooperate with Nenni Socialists.

C. Monarchists generally vacillating on American policy objectives.

- 1. Insist EDC be made conditional on satisfactory Trieste solution.
- 2. Want greater policy-making role for Italy in NATO.
- 3. Many want expanded Italian trade with Orbit.

D. Monarchists oppose socio-economic reforms designed to lessen Communist electoral appeal.

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E. Monarchists generally an unstable element:

1. Leadership split on foreign policy and relations with neo-fascists.
2. Party's advocacy of institutional change increases polarization of Italian politics between extreme right and extreme left.

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